

INTERTEK

2017 SUSTAINABILITY REPORT



intertek
Total Quality. Assured.

SUSTAINABILITY AND CSR

Sustainability is at the heart of our business. Our Core Purpose is "To bring quality and safety to life". Our Vision is "To be the world's most trusted partner for Quality Assurance".

We are focused on ensuring that our strategy and culture provide our people with the right platform to grow and develop their careers, but also allow them to be involved in activities that are socially responsible and enable them to engage with the communities in which they live and work.

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I am delighted that so much of what we do for our customers is helping them with their own sustainability strategies, whilst internally we also continue to make progress on our sustainability initiatives."



André Lacroix
Chief Executive Officer

During 2017 we established a set of five group sustainability priorities, linked to our 5x5 differentiated strategy for growth:

- 1 **Having a positive impact on our people, our suppliers, and the communities in which we operate**
- 2 **Supporting our customers with our industry-leading Sustainability value proposition**
- 3 **Improving our non-financial disclosures to strengthen our investment proposition**
- 4 **Tracking our progress with the United Nations Sustainable Development Goals**
- 5 **Continuous progress in sustainability through appropriate organisational focus**

Across our business, our people provide Assurance, Testing, Inspection and Certification ('ATIC') services that assist our customers in mitigating the environmental impacts of their products, processes and operations, ensuring their goods are ethically and sustainably sourced, improving the health and safety of their employees, and advancing their contribution to the United Nations Sustainable Development Goals (UN SDGs).

Our people are passionate about their work and are proud to be involved in activities that generate a positive impact for society and the environment. Intertek operates a decentralised and customer-centric organisational model that enables our team to innovate to improve our sustainability value proposition on a continuous basis, and direct resources locally towards the most value-enhancing activities, both for the financial performance of the operating unit and for the communities and environment in which they operate.

Each of our countries and business lines define their own sustainability agenda tied to our Group priorities, but specific to their local operations. During 2017, we established a network of Sustainability Champions across our major countries and business lines to develop global connectivity across our sustainability activities. Two networks were created:

- **Country network:** focused on internal sustainability activities
- **Business line network:** focused on sustainability services for our customers

The Sustainability Champions meet monthly to discuss progress against our group priorities and share best practice. A newly formed Sustainability Operating Committee reports to me on a monthly basis and provides the Executive Management Team with a quarterly update and the Board with an annual update. Our objective is to make continuous progress in sustainability through appropriate organisational focus.

We recognise we have further to go in our non-financial disclosures and have made significant progress in 2017, particularly in our environmental data collection and reporting.

As a Total Quality Assurance provider, we are in a strong position to align with each of the UN SDGs, both through the internal activities we carry out for our people, our communities and the environment, as well as through the sustainability services we provide to our customers. In this report we are using the UN SDGs as a third party, independent framework to track our country and business line progress in sustainability, and from 2018 onwards, each of our major business lines and countries will provide quarterly updates on the progress they are making toward the UN SDGs with which they have chosen to align.

I am delighted that so much of what we do for our customers is helping them with their own sustainability strategies, whilst internally our passionate and dedicated colleagues are improving the lives of the communities around them and the environments in which we operate.

Ultimately, sustainability is a broad and evolving topic for all our stakeholders – I believe we have made great progress during 2017 and we will continue to make further strides in our sustainability journey during 2018.

This report describes Intertek's sustainability performance in 2017 and highlights some of the work we are doing to help our customers; develop our people; partner with our local communities; reduce our own ecological footprint and track our progress with the UN SDGs.



André Lacroix
Chief Executive Officer

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OUR SUSTAINABILITY VALUE PROPOSITION

In a world where companies are facing an increasing number of challenges driven by growing complexities in their operations, the demand is growing for Total Quality Assurance solutions that extend beyond the quality and safety of physical components, to those that deliver sustainable solutions in the development of products and services for the future.

As a Total Quality Assurance provider, we are in a strong position given our global scale and expertise to support the sustainability objectives of our customers with our Sustainability value proposition. Our Assurance, Testing, Inspection and Certification (ATIC) services cover many industries, from textiles, toys and electronics, to building, heating, pharmaceuticals, petroleum products, food, cargo inspection, exploration and production, and minerals. We work globally with our customers to improve social, ethical, safety and environmental impacts of their services and products that are used by their customers every day.

Our proven supply chain expertise, global network and on the ground local knowledge help our customers with increased transparency to manage social, ethical and environmental risk in their processes and supply chains, whilst supporting their ability to operate effectively and act responsibly. Our customers trust us to ensure the quality and safety of their products, assets and processes, to protect their brands and to help them gain competitive advantage, whilst ensuring they achieve this in an environmentally responsible manner.

Full details of our Sustainability value proposition are listed on our Group website at www.intertek.com/sustainability/services. In this section of the report we have provided some interesting examples of the work we carry out for our customers.

SUSTAINABILITY ATIC SERVICES

Green Leaf Mark

Environmental product claims are coming under scrutiny by regulators and are a growing source of distrust by consumers. Recent studies show that consumers continue to support companies and brands that demonstrate social and environmental responsibility and are increasingly looking for certification marks or labels on products to validate environmental credentials. What's more, manufacturers and retail brands are under greater pressure to ensure products meet standards and have accurate test and analysis data to back up their claims.



Intertek's Green Leaf Mark is proof that a product has been independently tested and found to conform to multiple existing environmental regulations, such as RoHS laws, REACH and Eco Design requirements through one mark rather than multiple marks. The Green Leaf Mark is used on product packaging, in point of purchase displays, product advertising and literature to explain a product's environmental credentials.

Since 2011, Intertek has partnered with a leading Chinese Steel manufacturer to measure the environmental footprint of its carbon steels used in the automotive and packaging industry, and certify the products to the Green Leaf standard. To date, 30 products from 10 categories have been verified and awarded with the Intertek Green Leaf Mark. By receiving these certifications, the company is able to effectively demonstrate its efforts to reduce the adverse environmental impact of its production processes and final products.

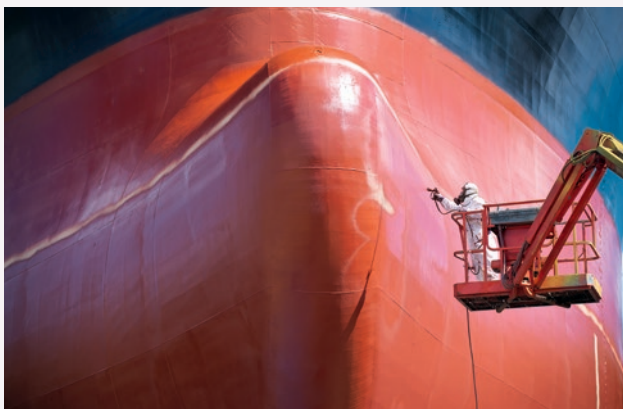
Water Footprint Verification Services



Intertek provides Water Footprint Verification Services for its customers covering the evaluation, calculation and documentation associated with both water consumption and quality at customer and supplier sites. In 2017, we provided this service for an appliance manufacturing site in Turkey amongst others. Working with our local offices, Intertek was able to support a verification of the organisations water footprint, which included six manufacturing facilities, offices and ancillary buildings.

As part of the Water Footprint assessment, companies commit to reduce consumption in measurable metrics to minimise stress on fresh-water sources for industrial processes. Water-stress impacts communities globally, where industrial uses of water can divert resources and affect safe potable drinking water availability. Intertek's Water Footprint Verification Services ensure that companies are following acceptable standards for evaluating their water sustainability so that substantiated improvements can be made over time.

Regulatory approvals for innovative biocides and pesticides



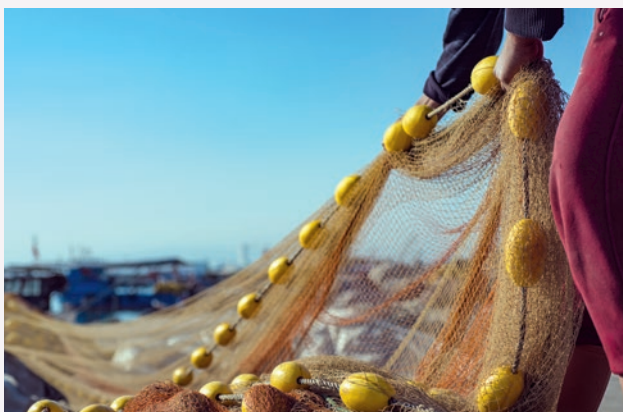
Intertek provides clients with regulatory approvals for innovative biocides and pesticides gaining access to global markets and multiple sectors. Introduction of new biocide and pesticide products can replace older and deleterious alternatives, make equipment more efficient and prevent the spread of harmful bacteria and contamination.

Intertek supports the approval of innovative biocide uses in healthcare and food processing industries to prevent outbreak of harmful bacteria, while replacing existing products that may have harmful environmental impacts.

In 2017, Intertek assisted transportation clients by developing approvals for the use of biocides in exterior paints on ships. The use of biocides in paint reduces barnacle attachment, whilst effectively maintaining aqua-dynamics and reducing overall emissions resulting from shipping activities.

Additionally, we also supported the building & construction sector by assisting our clients with the development of biocides for cooling towers, a major contributor to a building's overall energy consumption. By using biocide products to reduce the buildup of organisms and algae, our clients could improve the performance of their cooling towers.

Helping to develop an alternative to fish oil



During 2017, Intertek helped squid oil receive approval as a natural health product ingredient in Canada, offering Canadians a new sustainably-sourced alternative to fish oil. Squid oil is emerging as an alternative sustainably-sourced healthy omega-3 fatty acid. Much of the squid harvested for human consumption does not make it to market, but is discarded as "cut-offs" during food preparation; these "left-over" trimmings are predominantly rich in the healthy omega-3 fatty acids. Thus, squid oil is manufactured solely from by-products obtained during the food production of squid.

Additionally, the management and fishing methods for squid have minimal environmental impacts compared to methods typically used for other fish. The main fishing method employed for catching squid is jigging, which involves equipping fishing boats with bright lights at night to attract large schools of squid to the surface and then deploying a vast number of un-baited hooks just below the surface. As a result, there is virtually zero by-catch, as the fishing method is highly selective, specifically targeting same size specimens, with no impact on the ocean floor or coral reefs.

Intertek assists clients in navigating complicated regulatory approvals for their new, innovative and sustainable alternative products. With the availability of these products, consumers can select brands that reduce their impact to life under water, and minimise wasteful production processes.

Zero Discharge of Hazardous Chemicals

In 2017, Intertek joined the Zero Discharge of Hazardous Chemicals (ZDHC) Programme, a major body which is leading the textile, leather and footwear industries to advance towards zero discharge of hazardous chemicals. As a contributor, Intertek is supporting the programme's vision of achieving the widespread implementation of sustainable chemistry and best practices in the textile, leather and footwear industries to protect consumers, workers and the environment. Intertek delivers comprehensive solutions to enable fashion retailers and brands to fulfil their ZDHC Programme commitments. The solutions include:

- Waste water and sludge testing and sampling services at various key textiles and footwear manufacturing sites;
- Chemical Management System auditing services;
- Training for ZDHC Academy; and
- Manufacturing Restricted Substances Lists management and testing.

ZDHC has approved Intertek to provide waste water and sludge testing services for its members through the ZDHC Provisional Laboratory Acceptance Programme.

In other sections of this report, we have added further examples of our Sustainability value proposition, assisting our customers in their social, ethical and environmental goals.



OUR PEOPLE

Our 43,906 passionate Intertek people work globally for our customers on a daily basis, contributing to the success of our customers' products, services and operations and helping us succeed in Our Vision of being "The world's most trusted partner for Quality Assurance."

To achieve this, our 5x5 strategy energises our people to take Intertek to new heights, deliver our customer promise and to live our own values. We want to foster a company culture where our people are recognised for being inspired to find innovative ways to continually develop the services and solutions for our customers and be engaged in the activities they perform.

In this section we detail the ways in which we engage and inspire our people, ensure they have the frameworks in place for them to succeed in a safe working environment and ultimately make them proud to work for Intertek.

ENERGISING, INSPIRING AND ENGAGING OUR TALENTED PEOPLE

To seize the exciting growth opportunities of our Total Quality Assurance value proposition we continually invest in the growth of our people. We want to provide our people with skills to grow our business, to hire, inspire, engage and retain the best people to power our 5x5 strategy. We want our people to grow by learning new skills to help them advance their careers and deliver our customer promise. Our talent mapping process is critical to the future success of our organisation in delivering our strategy and fostering our passionate culture and values throughout Intertek.

Training

During 2017 we developed our own in-house employee training programme – The 10X Way! This was a unique programme as it was designed and delivered internally to over 1,000 Intertek leaders globally. Two-day training workshops were held across three locations in the Americas, Asia Pacific and EMEA and were delivered by our expert faculty from our global leadership team. The content of the workshops was based on internal feedback and developed into engaging and interactive sessions where key tools and best practice was shared.

We continue to roll-out the training across our entire organisation to ensure everyone has the tools, processes and principles to create sustainable growth for all. To supplement the face-to-face event, embed learning and consistently deliver the messaging, we are also developing eLearning modules, available to all 43,000+ employees on our Learning Management System, The 10X Way!

10X WAY

As part of The 10X Way! events and in order to support a highly engaged and high performing workforce of expertise, we have launched a brand new performance and growth conversation, My 10X JOURNEY, which replaces our previous appraisal process and is truly transformational. This new development plan enables quality conversations to clarify expectations, foster continual improvement and inspire people to perform beyond their best.

In addition to The 10X Way! we also provide a variety of in-house and external learning opportunities to provide our employees with the requisite skills and expertise needed to deliver our TQA Customer Promise. We operate across a wide range of sectors requiring different employee technical training – this education and support ranges from apprenticeships and internship programmes through to college, degree and professional qualifications.

UK Living wage

In the UK we are committed to becoming a Real Living Wage employer in accordance with the recommendations of the Living Wage Foundation. We will continue to align our directly-employed staff with the Real Living Wage UK, and are also working towards aligning third party contractor staff to the recommended guidelines.

INCLUSION, DIVERSITY AND GENDER EQUALITY

To live our values and be a global family that is inclusive and values diversity, we apply all employment policies and practices, including recruitment, promotion, reward, working conditions, and performance management related policies, in a way that is informed, fair and objective.

Our inclusion and diversity policy acts to eliminate discrimination so that our employees are treated fairly, feel respected and included in our workplaces. We are committed to maintaining the highest standards of fairness, respect and safety and adhere to the principles of the UN Convention on Human Rights and the International Labour Organization's core conventions.

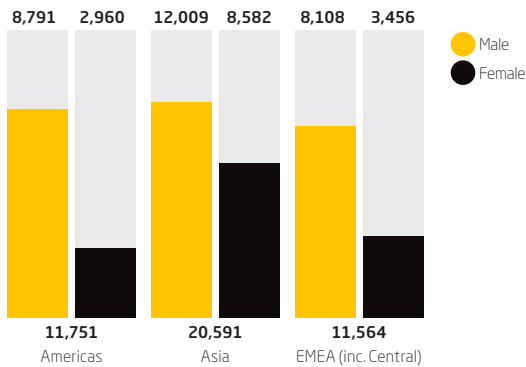
At Intertek we recognise the importance of gender diversity not only in management, but across our business. In line with the Hampton-Alexander Review, in addition to supporting gender diversity on our Board, in June 2017 we contributed our data on the gender balance across our senior executive team and their direct reports:

	Male	Female
Board	70.0%	30.0%
Executive Management Team (Exec)	84.6%	15.4%
Direct reports (DR)	82.7%	17.3%
Combined: Exec + DR	82.9%	17.1%

Data submitted as at 30-Jun-17.

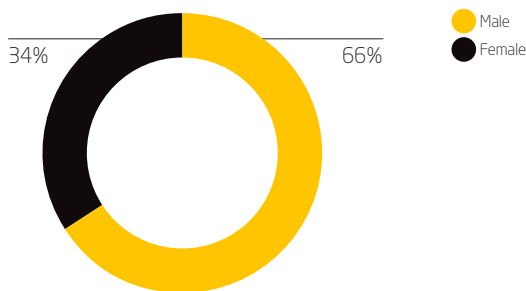
We will continue to promote and endorse fair, consistent and thoughtful working practices that are in accordance with our values.

INTERTEK TQA EXPERTS BY REGION



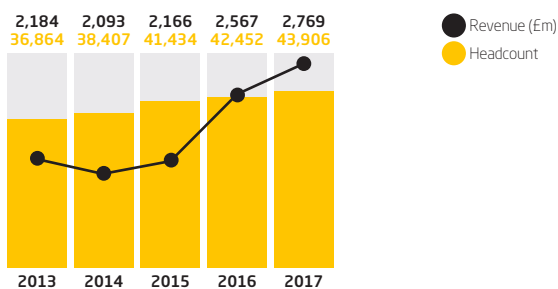
At 31 December 2017 Intertek employed 43,906 people, an increase of 3.4% over the previous year.

INTERTEK TQA EXPERTS BY GENDER



Intertek's gender diversity reflects the industries and qualification profiles typical of individuals working in the countries and business lines in which we operate.

REVENUE AND HEADCOUNT



At Intertek, we are proud to be an Equal Opportunities Employer and all qualified applicants are considered for employment regardless of gender, ethnicity, religion, age, disabilities, and other protected characteristics. We reach out to prospective employees in a variety of ways, depending on location and role, in compliance with local regulations for fair recruitment practices and equal opportunities. We post vacancies via our website (www.intertek.com/careers) and employ different ways of sourcing talented people, such as recruitment agencies, social media, printed advertisements, employee referrals, professional bodies and associations, schools, colleges and universities. To offer people career growth and progression within the Group, where possible, we fill vacancies from within the company first.

SUPPORTING OUR CLIENTS IN GENDER EQUALITY

Our Sustainability Value Proposition also supports our clients in achieving gender equality in their own operations:

EDGE Certification Standard

The EDGE Certified Standard was developed with the input of experts in gender equality from leading academic institutions and top multinational companies. The EDGE assessment methodology was developed by the EDGE Certified Foundation and launched at the World Economic Forum in 2011. EDGE has been designed to help companies not only create an optimal workplace for women and men, but also to benefit from it. The methodology uses a business, rather than theoretical, approach that incorporates benchmarking, metrics and accountability into the process.

The EDGE Certified Standard ensures that companies certified to the standard have a structured and systematic approach to measure, track and close the corporate gender gap by looking at both quantitative and qualitative indicators, including:

- Equal pay for equivalent work
- Recruitment & promotion
- Leadership development
- Flexible working
- Company culture

Intertek was the first certification body fully approved to certify companies against the EDGE Standard.

During 2017 amongst others, our team in Mexico certified the Banco de Mexico, the Central Bank of Mexico, to the EDGE Standard.

OUR PEOPLE

continued

DOING BUSINESS THE RIGHT WAY

At the heart of everything we do at Intertek is our vision to be the world's most trusted partner for Quality Assurance. We can only deliver that vision if we maintain the trust and confidence of all our stakeholders, including our shareholders, our customers, our people and the communities and environment in which we operate. Integral to this is our internal risk, control, compliance and quality programme which we call "Doing Business the Right Way".

At Intertek, Doing Business the Right Way means having the highest standards of ethics and integrity in how we conduct ourselves every day, everywhere and in every situation. Our Doing Business the Right Way programme includes processes, tools and training to ensure that:

- our people work in a safe and inclusive environment;
- the services we provide and the contracts we enter into are delivered with integrity and our commitment to Total Quality; and
- we deliver growth that is sustainable by managing our risks and doing the right thing for the longer term.

Key elements of our Doing Business the Right Way programme are described below.

Ethics, integrity and professional conduct

Doing Business the Right Way is our commitment to upholding the highest standards of integrity and professional ethics. This commitment is embedded in the Group's culture by the integrity principles set out in our Code of Ethics ('the Code') available at www.intertek.com/investors/governance/code-of-ethics, which also covers health and safety, anti-bribery, labour and human rights.

We have a culture in which all issues relevant to our professional conduct and our Code of Ethics can be raised and discussed openly without recrimination. We operate a strict zero tolerance policy regarding any substantial breach of our Code of Ethics and any behaviour that fails to meet our expected standards of integrity.

To support this policy in action, all people working for or on behalf of Intertek are required to sign our Code of Ethics upon joining the Company or before commencing work on our behalf, in order to confirm their acceptance of the high standards expected of them in all business dealings. The Code sets clear expectations that people working for our business must act at all times with integrity and in an open, honest, ethical and socially responsible manner.

Intertek employees or people acting on Intertek's behalf are responsible for applying the Code in their own job role, their part of the business and location.

To support their continuing understanding, they are required to complete our comprehensive online Code of Ethics training course annually. When completing the training, all employees are required to sign a certificate confirming their understanding that any breaches of the Code will result in disciplinary action that may include summary dismissal of the employee concerned.

Whistle-blowing hotline

To empower the people who work for Intertek to act, we have a well-publicised hotline for all employees, contractors and others representing Intertek, enabling them to confidentially report suspected misconduct or breaches of the Code.

Our whistle-blowing hotline is run by an independent, external provider, is multi-language and is accessible to all employees 24 hours a day either by phone or by email. Those concerned are encouraged to report any conduct, compliance, integrity or ethical concerns using the hotline. Information posters are present in all of our sites.

If a report is made to the hotline, it is followed up by Intertek's Compliance officers. All reports received are fully investigated by our Group Compliance function, which is independent of our operational businesses and reports directly to our Group General Counsel. Provided there is no conflict of interest, all reports are also notified immediately to our Group Ethics & Compliance Committee which consists of our Group CEO, Group CFO, Group EVP for HR and Group General Counsel. This ensures effective resolution both of individual issues and any systemic or process improvements that can be made to address them.

During 2017, 202 reports of non-compliance with our Code of Ethics were made to our hotline. Of those reports, 36 were substantiated and required remedial action. Of those substantiated claims:

- there were no substantiated grievances relating to human rights, labour practices or societal impact breaches;
- there were no environmental incidents;
- there were no reported violations of the rights of indigenous people; and
- there were no cases of discrimination..

HEALTH & SAFETY

One of our five key corporate goals is to ensure that our colleagues are fully engaged in a safe working environment – therefore, managing the health, safety and welfare of our people, clients and third parties connected with the business is a top priority for us. Intertek is committed to the continuous review and improvement of its health and safety performance and works towards achieving zero incidents.

As a key element of our commitment to health and safety and following its successful implementation during 2016, this year we saw increased adoption of our ‘Speak up for Safety’ campaign across the whole of Intertek. Additionally we implemented further Health & Safety processes enabling all Intertek sites to report and track Health & Safety activities with our new Global H&S Platform.

In 2017, we achieved a 14% reduction in lost time incidents, a 17% reduction in medical treatment incidents and a total recordable incident rate reduction of 13%.

Sadly, one fatality was recorded in Veracruz in Mexico. This occurred when a grain silo in the port collapsed and fell onto the harbour where our employee was working.

	2017	2016	% change
Near Miss	9,960	6,548	52%
First Aid	857	760	13%
Lost time incidents	101	117	(14)%
Medical treatment incidents	143	173	(17)%
Fatalities	1	0	-
Total recordable incident rate (TRIR)*	0.55	0.63	(13)%

* Rates refer to the number of lost time incidents and medical treatment incidents occurring per 200,000 hours worked.

We go to great lengths to train all our employees on health and safety matters, including emergency response procedures, intervention and reporting of accidents, incidents and near misses, during on-boarding. Where relevant, all employees and contractors are provided with personal protection equipment when performing work for the Company.

To ensure that each Intertek location is able to operate safely, there is a dedicated fire warden, first-aider and health and safety representative at each Intertek location. These representatives are empowered to not only investigate incidents and implement preventative and corrective actions, but also to disseminate safety information through training and continual improvement programmes to target specific areas of concern that are identified.

SUPPORTING OUR CLIENTS IN HEALTH AND SAFETY

Our Sustainability value proposition also supports our clients in their health and safety management

Certifying to OHSAS 18001

We can provide our customers with the support they need to be certified as an organisation with high quality health and safety management systems. Intertek provides enterprises with occupational health and safety management system certification services to UK domestic standard GB/T28001 and international standard OHSAS 18001.

In 2018, ISO 45001 is due to be published – this standard is set to replace the popular OHSAS 18001 standard with the same overall purpose – to improve the occupational health and safety performance of an organisation. ISO 45001 will more easily integrate with other ISO Management Systems standards including ISO 9001:2015 and ISO 14001:2015.

As globalisation and global trade continue to escalate, organisations’ stakeholders are expecting organisations to be ethical in every aspect of their business, especially in the way they treat employees. ISO 45001 will give organisations an internationally recognised occupational health and safety standard to follow. This standard provides the specification for formal systematic analysis and management of risk; management of regulatory compliance; promotion of safer work practices and evaluation of occupational health and safety performance. This systematic approach facilitates a decrease in the number of incidents and ultimately less disruption to business.

In 2017, Intertek certified PepsiCo in China to the OHSAS 18001 standard amongst other customers. Going forward, Intertek will be working with its customers to ensure a smooth transition to ISO 45001 from OHSAS 18001, whilst also encouraging more organisations to work towards this internationally recognised benchmark in health and safety management.

OUR COMMUNITIES

The role we play in the communities in which we operate is vital to the success of our business. Fostering good relationships provides benefits beyond reputation, but also in recruitment, local education, and ultimately engagement, as our passionate and dedicated colleagues are proud of improving the lives of the people and communities around them.

In this section we have selected some examples from across the world of Intertek of how we have engaged with our local communities during 2017, through community work, education and disaster relief efforts.

CARING COMPANY RECOGNITION

Intertek Hong Kong has been continuously recognised as a Caring Company by the Hong Kong Council of Social Service (HKCSS) and this year is the 6th consecutive year that we received this acclaim. Partnering with Hong Kong Red Cross, Intertek Hong Kong has cultivated good corporate social responsibility through cross-sectoral activities and exchanges, developing community projects that address the needs of the local community. In 2017, Intertek Hong Kong organised and carried out a number of community activities including:

- Blood Donation Day which involved more than 80 Intertek colleagues donating blood to the Hong Kong Red Cross;
- Mid-Autumn Elderly Visit in October 2017 by our Intertek Volunteer Team, during which festival food and supplies were provided for elderly people;
- Participated in charity fund-raising at the Hong Kong Red Cross Carnival; and
- Participating in other environmental protection initiatives and programmes locally.



CSR GAZETTE

In China, we issue a bi-monthly CSR Gazette. The CSR Gazette is a corporate social responsibility newsletter covering updates on laws, regulations and national standards of China relating to CSR auditing on labour, health and safety, environmental protection and business practice.

With our Sustainability value proposition and experience in CSR auditing, Intertek is well placed to provide relevant and timely updates to its customers, as they look to implement improved practices in their own operations.

The intended audience for the newsletter includes Facility Managers, EH&S (Environment, Health and Safety) Managers, CSR Managers and Internal Auditors that engage in supply chain management in China, as well as vendors, buyers, or associations who are focused on supplier management in China or outside China, especially in the US and EU/UK.

The newsletter contributes to promoting sustainable employment and decent work, and raising awareness of the issues regarding forced labour/modern slavery/human trafficking/child labour.

SCHOOL SUPPLY SANTA



School Supply Santa is a community programme in Michigan, US, that provides students in need with a backpack filled with school related items such as notebooks, markers, pens, and folders to ensure they start the school year out on the right foot with everything they need to grow and learn.

Being aware of this programme, the Intertek Grand Rapids Health & Wellness Committee and Events & Communications Committees teamed up to lead the efforts to all employees across all divisions. Intertek Grand Rapids became a corporate partner of School Supply Santa and received a list of supplies that were needed in their local districts. The committee members created posters, sent emails, and leveraged operations managers to rally employees and communicate the efforts. Following the communications, employees donated supplies and filled collection boxes at Intertek Grand Rapids. Together, they collected 15 backpacks and hundreds of other requested supplies.

The recipients of these supplies are part of the free lunch programme from 20 different schools covering 8 districts in the greater Grand Rapids, Michigan area. Thanks to the combined efforts of all donations, more than 100 students were helped through the programme this year.

LITTLE SCIENTISTS PROGRAMME

Intertek Hong Kong held its first community educational programme, named "The Little Scientists" for young children and their parents in September 2017.

The objective of the programme was to provide the children with a fun and engaging scientific learning experience, including experiments that they could carry out with their parents.



Offering this high-quality Science, Technology, Engineering, and Mathematics (STEM) education helped stimulate the young children's interest in exploring new fields of knowledge and experimental learning.

A total of 30 participants took part, aged 7 to 10, and the feedback received was overwhelmingly positive. We will look to run this programme again in 2018.

TRANSPORTATION DONATIONS



During 2017, Intertek's Transportation Technologies Business donated automobile parts to the National Auto Body Council to support their Recycled Rides programme. Recycled Rides is a unique programme in the US, in which insurers, collision repairers, paint suppliers, parts vendors and others collaborate to repair and donate vehicles to deserving individuals and service organisations in local communities throughout the country. Over 1,000 vehicles have been donated through the National Auto Body Council's Recycled Rides programme since its inception in 2007.

In addition, the Transportation Technologies business also donated parts to technical schools to support education.

HURRICANE MARIA RELIEF EFFORTS

Hurricane Maria was regarded as the worst natural disaster on record in Puerto Rico and Dominica. The tenth most intense Atlantic hurricane on record and the most intense tropical cyclone worldwide of 2017.

As the hurricane hit, our employees in our Houston offices, having just recently suffered from Hurricane Harvey themselves, wanted to assist their fellow colleagues in Puerto Rico.

The team rallied together and made arrangements to secure a container for supplies in the Houston area. An email was sent out to Houston area employees to donate water and nonperishable foods and request for volunteers to help pack the donations. The team were able to fill a large trailer and flatbed truck. The supplies were packed into the container, where it left via truck to Miami. One of our employees volunteered to work from our Florida location, to ensure secure passage of the container to Puerto Rico. On arrival in Puerto Rico the supplies were distributed to our employees.

During 2017, Intertek USA donated \$25,000 to the hurricane disaster relief efforts, in addition to employee contributions, as well as providing the much-needed support and assistance to employees and customers.

EXTENDING A HELPING HAND TO FLOOD VICTIMS IN BANGLADESH

Geographically, Bangladesh is in a delta of the three major rivers: Ganges, Brahmaputra, and Meghna — commonly known as the GBM basin. In the recent past, we have observed major floods in Bangladesh during the monsoon seasons of 1987, 1988, 1998, 2004, 2007, and 2016. However, in 2017, the peak water level crossed the highest recorded water levels in Brahmaputra, Teesta, Dharala, and Jamuneswari rivers.

The second spell of floods this year has affected nearly 7.5 million people, according to figures by the National Disaster Response Coordination Centre (NDRCC). Additionally, 10,583 hectares of land have been totally washed away, while another 600,587 hectares of farmland have been damaged.

To help people affected by the flooding, Intertek Bangladesh employees contributed to, and participated in, relief activities to help those affected by the devastating floods in Durgapur Union, Kalihati Upzila in Tangail District. Volunteer teams from Dhaka travelled from almost 150 kilometers away to the flood affected areas to distribute food, drinking water, cooking oil, candles and other essential items to support around 200 flood-affected families.



OUR ENVIRONMENT

Our environmental mission is to provide a better quality of life today and a more environmentally responsible world tomorrow, by continually improving our business performance to minimise the impact our operations have on the environment.

OUR APPROACH

Intertek's primary environmental goal is to work with each of our sites globally to reduce their impact on the environment, through reducing energy consumption and improving their overall sustainability credentials. Intertek plays an important role in raising awareness of Climate Change and National Resource Constraints in its employees, suppliers and customers. As such, our aim is to improve operational and natural resource efficiency in a consistent manner across all of our 1,000 sites, and to establish a global community of sustainability champions who share their site level knowledge and experience for the benefit of others.

To support this effort, our environmental and climate change policy is implemented through country management to ensure compliance with local guidelines and regulations.

To support our environmental goals, and following a thorough review of our 2015 and 2016 reporting of Group emissions, it was recognised that a more flexible and robust reporting tool was required to more accurately carry out site level environmental data tracking. In 2017, Intertek implemented a Global Sustainability Environmental Software platform, which is optimised specifically to provide Intertek with the financial grade reporting, analytics, and auditability to support its site level sustainability initiatives and corporate reporting going forward.

Due to the wider scope and depth of reporting in 2017 and the increased attention to detail and diligence across all Intertek sites globally, our 2017 data is meaningfully different to our previously reported 2015 and 2016 figures. The data gathering has become more accurate and granular, using less extrapolation, hence leading to differences versus the 2015 and 2016 data. Going forward, data should be comparable to the 2017 base year.

As a result of this renewed approach, we have already witnessed a material uplift in the level of engagement across the business regarding Greenhouse Gas (GHG) emissions, with each site now being able to access their own, bespoke GHG data dashboard.

In the Our Sustainability Governance section of this report we introduce our newly-formed Sustainability Operating Committee, Country and Business Line Champions network and sustainability reporting processes. Using our newly-established network, we will focus on reducing our material impacts in our major countries and over time plan to extend our country network to cover more sites and locations globally. At present our country network accounts for 82% of our Scope 1, 2 and 3 GHG emissions.

From 2018 onwards, using our enhanced data tracking, GHG emissions will form part of our quarterly performance discussions, in order to ensure that our environmental footprint is receiving the requisite level of attention at the global, country and site level, and we will be utilising our Country Sustainability Champions network to drive material improvements in our major markets.

In line with this improved practice, we are setting our first carbon reduction target: To reduce our annual CO₂ emissions per employee by 5% by 2020*.

We plan to achieve this through utilising renewable sources of energy; implementing 'green' waste management practices; efficient water management; minimising business travel and operating quality management systems.

In addition, and to support our longer-term objectives, we have defined a four-year plan:

- **2017:** Establish a robust financial grade reporting system and process, implement a 2020 target
- **2018 & 2019:** Roll-out best practice guidelines to support and promote environmental efficiency and broaden the scope of environmental reporting (i.e. additional scope 3 reporting) based on the materiality of business activities which are relevant to our business, our peers and our key stakeholders
- **2020:** Reach our 2020 carbon target and explore implementation of a Science Based Target for future emissions reductions

Through tracking accurately and setting meaningful objective targets, we can ensure that we are minimising our environmental footprint whilst also providing our key stakeholders, including shareholder and customers, with the data they need to understand our performance. In line with this focus, we also intend on externally verifying our data in the 2018 reporting year.

*Against the 2017 base year and excluding Process Emissions.

OUR DATA

Our annual GHG reporting cycle runs from 1 October 2016 to 30 September 2017.

As a Total Quality Assurance provider, we carry out testing on behalf of our clients which involves the direct consumption of fuel or the direct release of emissions through refrigerant testing procedures (Scope 1 – Process Emissions). The tests we perform are required by our clients to help them determine the safety, quality and environmental efficiency of their products and as such, whilst this increases our overall Group reported emissions, it has a positive longer-term impact on the item being tested. For example, we perform tests for automotive manufacturers on their engines, to help them improve efficiency, performance and reduce emissions, however in doing so we will burn fuel both in stationary and mobile environments. Similarly, we are one of very few companies globally which carry out safety testing on refrigerants which are then used in commercial and domestic everyday items.

In the table below, we have specifically split out the Scope 1 “Process Emissions”. Where possible we look to reduce the impact of these emissions, for example, in our engine testing lab in the UK, our Transportation Technologies business has implemented several electricity-producing dynamometers, which generate power from the engines being tested, resulting in a reduction in their site Scope 2 emissions and operating costs.

CO₂e¹ emissions from activities for which Intertek is responsible include:

		GHG Emissions (tonnes of CO ₂ e) ¹
Scope 1	Fugitive Emissions	7,186
	Mobile Combustion - Owned Fleet	23,704
	Stationary Combustion	13,722
	Process Emissions	15,523
Scope 2	Purchased and Used Electricity	126,574
	Purchased Heat and Steam	1,621
Scope 3	Energy Related Activities	29,118
Outside of scope	Biomass	157
Total emissions		217,605
		CO ₂ per employee
Intensity ratio		
2017		5.08
Average # of employees during reported period		42,828

1. CO₂e – Carbon dioxide equivalent.

For 2017, Intertek’s electricity consumption was reported to be 241,991 MWh (5.65 MWh per employee) and gas consumption was reported to be 66,432 MWh (1.55 MWh per employee).

The platform used by Intertek complies with the methodologies outlined by the GHG Protocol “Corporate Accounting and Reporting Standard”, the GHG Protocol “Corporate Value Chain (Scope 3) Standard”, ISO 14064-1, and the UK Government’s “Environmental Reporting Guidelines: Including Mandatory greenhouse gas emissions reporting guidance”.

In compliance with the above standards, the platform uses the most up-to-date GHG emission factors available for each country and type of activity. The emission factors are sourced from the relevant government department in each country. Where local emission factors are not available, the platform uses default emission factors provided by the International Energy Agency (IEA), GHG Protocol, the UK’s Department for Environment, Food and Rural Affairs (DEFRA) and the US Environmental Protection Agency (US EPA).

ENVIRONMENTAL ACHIEVEMENTS IN 2017

As we operate a decentralised business model, our teams locally look for ways to become more environmentally efficient and reduce the impact of operations on the environment. Below are some examples of our achievements in 2017 and through actively performance managing our GHG emissions in 2018, we hope to make further improvements:

- In Turkey, we have implemented a water recycling system¹ by re-using the heated water from laboratory machinery. By doing so we have been able to recover 50% of the waste water, thereby reducing our consumption by 4 tonnes of water/per day.
- In India, our team implemented a number of initiatives following World Environment Day, including:
 - Elevator usage restrictions during allotted time slots to reduce power and energy;
 - Celebrating ‘No Paper Day’ and overall reducing paper usage;
 - Encouraging usage of air purifying plants both indoors and outdoors; and
 - Tree plantation to improve biodiversity.
- In France, we are trialling a scheme with a recycling company whereby they collect waste paper from our sites and in exchange we receive vouchers to buy green office supplies.
- In Australia, we have installed skylights in one laboratory which has reduced the need entirely for lighting during the day. This has delivered both cost savings and GHG emission reductions.
- Globally, we have made a further progress to upgrade lightbulbs to more efficient LEDs, with particular improvements in conversion in Turkey, France, India, USA and Australia.

OUR ENVIRONMENT

continued

SUPPORTING OUR CLIENTS IN ENVIRONMENTAL MANAGEMENT

With our Sustainability value proposition, there are multiple ways in which we support our clients in their Environmental Management goals:

Carbon Footprinting Services

During 2017 Intertek HERS performed a carbon footprint for a North American transport and operations services provider. As part of the assessment Intertek worked with the client to determine year-on-year improvements and how they relate to specific changes and upgrades to their operations. Results were reported in CO₂ equivalent emissions and encompassed improvements such as fuel and fleet changes, warehouse logistics and implementing policies that require efficient movement of materials within operations.

Resource efficiency and adoption of cleaner technologies can positively impact sustainable growth, demonstrated by implementing strategies that increase efficiency in operations and the responsible use of fuel and materials. With the transportation sector contributing over a quarter of the world's GHG emissions, movement of materials, whether in a factory or cross-country is an important part of sustainable consumption and economic growth.



Zero Waste to Landfill Certification

Intertek provides companies with the Zero Waste to Landfill certification, which showcases an organisation's contribution towards improving their sustainability initiatives through their pledge to minimise the amount of waste that enters landfills from their operations.

Zero Waste to Landfill certification provides improved credibility and visibility to an organisation's sustainability efforts. Implementing a Zero Waste to Landfill programme will not only improve the efficiency in manufacturing processes but can also save physical and financial resources through energy conservation and reuse of raw materials.

During 2017, Intertek awarded the Zero Waste to Landfill to Mahindra Group, a leader in the tractor and utility vehicles space, employing more than 200,000 people across the globe. Mahindra was among the first to receive this certification in India which truly demonstrates their commitment to improving the environmental effects their manufacturing process has on the communities in which they operate.

Clean energy

Across the world, our Sustainability value proposition positions us well to support our clients in their development of clean energy solutions, including solar, wind, biofuel and water power. In Mexico, during 2017, along with our Joint Venture partner, Intertek+ABC Analitic have participated extensively in the sampling of the initial conditions of sites where wind farms are to be placed, in order to advise on the appropriateness of the location and impact on the ecosystem. In addition, we have also been involved in monitoring and assessing the environmental impact of the noise generated by the wind turbines.



Ecotoxicology

Intertek provides ecotoxicology services for clients, to assess the toxicity of a variety of different samples that pose a risk to the marine environment, i.e. effluents, crude oils, bulk shipping cargo to name a few. The outcomes of each toxicity assessment are then used by our clients to ensure environmental protection.

In addition to the testing of samples for toxicity, the ecotoxicology division also provides assurance services to assist clients with environmental risk assessments. Specialising in determining the bioavailability of contaminants, our ecotoxicologists provide focused and insightful data analytics to assist our clients in their environmental goals.

During 2017, Intertek's ecotoxicology team have worked with Jacobs for many of the major Oil and Gas companies in the Australasian region in relation to the produced water testing for the offshore oil and gas platforms.



Pollution Prevention Planning Services

Intertek provides industrial and institutional clients with pollution prevention planning services. Some jurisdictions require the testing for wastewater discharge from industrial and institutional facilities for a range of parameters. The strategy behind pollution prevention planning is to address hazardous chemicals that are found in freshwater resources and landfills. Before wastewater is treated, many solid and larger inorganic materials are removed and deposited, untreated, into landfills where previously absorbed pollutants can later leach into soil and groundwater. To manage unwanted chemicals from reaching freshwater resources and landfills, pollution prevention planning, includes testing wastewater when it is discharged from the facility and relating findings back to chemicals, products and infrastructure used.

In Ontario, Canada Intertek's pollution prevention planning services led to the removal of a subject pollutant from cleaning products commonly used in healthcare facilities, among major manufacturers. Additionally, Intertek is also working with a global supplier of laboratory equipment, to identify pollution prevention planning requirements in various countries world-wide so their products can meet customer demand and reduce their contribution of pollutants discharged to the environment.

Pollution prevention effectively incorporates strategies for clean and safe drinking water with controllable activities and wastewater discharge. Intertek supports evaluation and planning for management of freshwater ecosystems that are essential to human health, environmental sustainability and economic prosperity.





TRACKING OUR PROGRESS WITH THE UN SDGs

As a Total Quality Assurance provider, we are in a strong position to align with each of the United Nations Sustainable Development Goals ('UN SDGs'), both through the internal activities we carry out, for our people, our communities and the environment, as well as through the sustainability services we provide our customers.

We are therefore using the UN SDGs as a third party, independent framework to track our country and business line progress in sustainability. From 2018 onwards, each of our major business lines and countries will provide quarterly updates on the progress they are making toward the UN SDGs that they have chosen to align with, providing quantitative and qualitative examples of how they have helped to contribute to the goals.

By way of example, during 2017 we ran a case study with our Building & Construction (B&C) division, to evaluate B&C's performance in internal and external sustainability initiatives vs. the UN SDGs.

By taking this approach, we aim to increase engagement across our business by providing Our People with a framework upon which they can clearly demonstrate the wider positive sustainability contribution that they are making through their daily activities.

We will continue to update vs. the UN SDGs going forward, by providing annual examples of the progress we are making in different business lines.

INTERNAL



B&C provide assurance services for The Ronald McDonald House on a volunteer basis - helping food storage and distribution for the poor



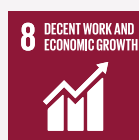
B&C is actively involved in the ACE Mentoring Program which is the TOP Program in the USA to promote Quality of Education and exposure into the B&C market sector



B&C heavily promotes Women in Engineering and actively supports specific projects of the Small Women Owned Businesses initiative



B&C provides extensive consulting for civil engineering design and inspection services on US Army Corp of engineers dams, levees, wastewater treatment plants and clean water supply reservoirs



EXTERNAL



B&C provides assurance on reutilizing concrete demolition debris from demolished foundations, columns, floor slabs, and parking lots for reuse as high quality aggregate materials for highways



B&C provide inspection and services on building envelope evolutions to ensure better insulation and energy efficiency

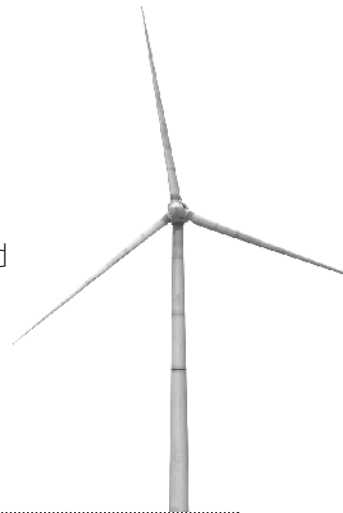


B&C provides extensive assurance and testing in the field of coastal restoration, marine, and wildlife conservation with many prominent state-wide projects



B&C provides extensive assurance and testing in the field of "Land Management" which includes halting land lost and its negative impact on the environment. B&C has a dedicated Wetlands consulting group

"Intertek B&C has helped to set Renewable Energy Records in the USA to an all time high of 10% in 2017."



B&C provides extensive assurance and testing to Wind, Solar, and Hydroelectric operators. Recent projects have been some of the largest and most Clean Energy advanced projects in the World

"Intertek B&C has been a key provider of LEED/"Green" building certificates to a record high of 65,000 in the USA in 2017."



B&C employs Leadership in Energy and Environmental Design (LEED) Inspectors to assess the certification of Buildings to LEED status. PSI is a member of the US Green Building Council



OUR SUSTAINABILITY GOVERNANCE

During 2017 we established a set of five group sustainability priorities, linked to our 5x5 differentiated strategy for growth. One of our five priorities is to make continuous progress in sustainability through appropriate organisational focus.

Our objective is to ensure that we provide the organisation with the requisite levels of support and engagement, at the highest levels of the organisation, both for our internal sustainability activities and for the sustainability services we provide our customers.

SUSTAINABILITY OPERATING COMMITTEE

To enhance engagement across our sustainability initiatives, in 2017 we established a network of Sustainability Champions across our major countries and business lines to develop global connectivity across our sustainability activities. Two networks were created:

- **Country network:**
 - Seeking opportunities to act sustainably, through energy efficiency and cost reductions across energy, water and waste usage
 - Engaging with people locally to drive positive behaviours throughout the organisation, but also through encouraging sustainability engagement with local stakeholders
 - Maintaining best in class internal labour and human rights practices, activity monitoring, and liaising with HR colleagues regarding social sustainability metrics improvements
- **Business line network:**
 - Taking the lead on engaging the sales organisation within the business line to ensure they are aware of all the sustainability services that can be offered to customers
 - Working with colleagues globally to help develop our suite of sustainability service offerings
 - Help generate new and innovative ways of offering sustainability services to our customers

The Sustainability Champions meet monthly to discuss progress against our group priorities and share best practice. A newly formed Sustainability Operating Committee reports to the Group CEO monthly, and provides the Group Executive Management Team with a quarterly update and the Board with an annual update.

Over time we will expand this network to include more countries and business lines. Our objective is to enhance engagement across our business in sustainability activities, whether this be internally, through the work we do for the environment or communities in which we operate, or externally through the services we provide our customers.

Our people are passionate about their work and are proud to be involved in activities which generate a positive impact for society and the environment. As each of our countries and business lines define their own sustainability agenda, tied to our Group priorities but specific to their local operations, the objective of our network is to ensure the activities being performed locally are understood and we benefit from best practice globally.

RESPONSIBLE INVESTMENT

Delivering sustainable returns is a key enabler of our 5x5 strategy for growth and incorporates Responsible Investment ('RI'). At Intertek, RI includes the evaluation of Environmental, Social & Corporate Governance ('ESG') risks as part of the investment process. ESG due diligence forms a key part of our acquisition review process as well as when assessing capital expenditure decisions on new and innovative ATIC services. We ensure that we have identified potential ESG risks, and have in place corresponding mitigation plans and remedies. Our investment process, in line with our overall Group strategy, ensures that we maintain the right balance between performance and sustainability. Going forward, acquired businesses will be provided access to our Group Environmental Data Software and will be required to submit their environmental data as part of the ongoing reporting cycle.

STEWARDSHIP AND GOVERNANCE

Sustainability and CSR are integrated into Intertek through policy distribution and through our Code of Ethics framework at www.intertek.com/investors/governance/code-of-ethics. Our operations and support functions are responsible for identifying and evaluating risks applicable to their areas of the business and the design and operation of suitable internal controls (see 'Principal risks and uncertainties' on pages 32 to 37 of the 2017 Annual Report).

SUSTAINABILITY NETWORK



ETHICAL SUPPLY

As a global provider of quality solutions, including supply chain assurance and modern slavery audits, for its clients, Intertek is committed to preventing slavery and human trafficking in its own corporate activities and to ensuring that its own supply chain is free from modern slavery. Our 2017 Modern Slavery Statement can be found at www.intertek.com/about/corporate-governance. The Group analyses its supply chain on an ongoing basis as part of its risk, compliance and ethics framework.

We have corporate policies and governance processes to support our efforts to address the issues covered by the Modern Slavery Act 2015, including: the Code of Ethics (with regular refresher training for all employees); a confidential and external hotline on which issues can be reported; a labour and human rights policy; and clear recruitment policies aimed at fair recruitment and treatment of employees. Furthermore, to demonstrate our commitment to continued improvements and achieving an industry-leading standard in this area, we will work to put in place enhanced policies, procedures and due diligence processes for suppliers which are aimed more specifically at evaluating the risk of, and preventing, modern slavery issues.

SUPPORTING OUR CLIENTS IN SUPPLY CHAIN RISK ASSESSMENTS

Our Sustainability value proposition also supports our clients in their supply chain risk assessments:

Workplace Conditions Assessment

The Intertek developed Workplace Conditions Assessment (WCA) program provides a powerful, cost-effective solution for companies and facilities seeking to improve workplace conditions efficiently and in accordance with widely accepted industry standards and best practices.

Anchored in Intertek's extensive social compliance expertise, WCA has emerged as an industry-leading tool for evaluating, benchmarking and continuously improving supplier workplace conditions. The program is supported by a web-based platform that automates and streamlines the audit process, increasing efficiencies for all supply chain partners.

WCA addresses the following and more:

- Labour (Child/Forced Labour, Discrimination, Discipline, Harassment/Abuse, Freedom of Association, Labour Contracts)
- Wages and Hours (Wages and Benefits; Working Hours)
- Health and Safety (General Work Facility, Emergency Preparedness, Occupational Injury, Machine Safety, Safety Hazards, Chemical and Hazardous Material, Dormitory and Canteen)
- Management Systems (Documentation and Records, Worker Feedback and Participation, Audits and Corrective Action Process)
- Environment (Legal Compliance, Environmental Management Systems, Waste and Air Emissions)

During 2017, we carried out our WCA programme for Siemens suppliers globally in a number of countries including China, India, Germany, Mexico, United Arab Emirates, USA, Brazil and more.

Mill Qualification programme

In the competitive apparel sector, retailers and brands are increasingly concerned about the quality of the textiles that mills supply. They know it is fundamental to overall garment quality. Today, however, they also appreciate the extent to which social and environmental performance figures into the value equation – especially now that it's apparent that the most socially and environmentally responsible mills deliver more consistently on quality excellence. The key challenge becomes one of accessing reliable data on mill social and environmental performance, including measures related to improved efficiency and overall quality.

The Mill Qualification Program (MQP), developed by Intertek, provides leading suppliers and brands with a new operating environment that integrates sustainability considerations with continuous improvement in the quality performance of fabric mills. The program employs a unified and standardised approach for mill performance measurement in key areas, including social considerations, quality assurance, lab certification and environmental sustainability. The MQP has emerged as an industry-leading tool for evaluating, benchmarking and monitoring mills' performance and ensuring continuous improvement. Its focus on collaboration encourages a partnership between buyers and suppliers in order to create a better understanding of and alignment with sourcing strategies and expectations. During 2017 we carried out Supplier In-house Lab Certification Programmes for a number of customers, including Arcadia and C&A.

